

## **POLICY STATEMENT REGARDING REAL ESTATE BROKERAGE BASED UPON FEDERAL LAWSUIT RULING**

The Federal District Court for the Western District of Kentucky has issued a preliminary injunction in the case of River Oaks v. Brown. The federal court has upheld the Commission's right to require licensure for real estate brokerage activity in this state. The Commission is issuing this policy statement in order to outline its interpretation of the judge's ruling and to give notice of its enforcement policies under this ruling.

The Commission will regulate any real estate brokerage activity, as defined by KRS 324.010, that is conducted within the borders of this state. This activity includes, but is not limited to, physical actions, such as showings and negotiations, within the state, Internet advertisements or other advertisements directly seeking Kentucky clients or customers and phone calls and e-mails seeking Kentucky clients or customers.

In accordance with the ruling, the Commission will no longer enforce KRS 324.020(4) or 201 KAR 11:121, Section 1(9).

As of July 15, 2008, there is a new commercial law in place. This law requires out-of-state licensees to affiliate with a Kentucky broker before engaging in real estate brokerage activity in this state. Before you engage in any such activity, please review KRS 324.235-KRS 324.238, which can be found on our website.

If you have any questions about whether an activity will constitute real estate brokerage activity within this state, please contact the Commission's Legal Department before proceeding.